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Attorneys for Plaintiffs

**UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 OAKLAND DIVISION**

UNITED STATES FIDELITY AND GUARANTY	)	CASE NO. C 03 5376-SBA
COMPANY, et al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	<b>STIPULATED JUDGMENT;</b>
	)	<b>ORDER THEREON</b>
THE SCOTT COMPANIES, INC., et al.	)	
	)	
Defendants.	)	

Plaintiffs United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, St. Paul Fire and Marine Insurance Company and St. Paul Medical Liability Insurance Company, individually and as assignee of Economy Fire and Casualty Company (collectively, “St. Paul”), and Defendants The Scott Companies, Inc., Scott Co. of California, WTE, Inc., Scott Mechanical International, Inc. and Scott-Norman Mechanical, Inc. (collectively, “Scott”), by and through their counsel of record herein, hereby stipulate and agree as follows:

1. St. Paul, as surety, incurred losses in excess of \$50 million on related surety bonds and a financial guaranty bond (collective, “Bonds”) it issued for or on behalf of Scott, as principal, and Scott agreed in writing to indemnify St. Paul for any losses on the Bonds.

2. St. Paul initiated the instant proceeding in order to recover from Scott its losses on the Bonds, which are understood to be in an amount in excess of \$50 million (\$50,000,000.00).

3. St. Paul and Scott subsequently settled their dispute, and, as part of the settlement, Scott agreed to stipulate to judgment against Scott and in favor of St. Paul in the amount of \$50 million (\$50,000,000.00).

4. Accordingly, Scott, and each of them, stipulate that judgment in the amount of \$50 million (\$50,000,000.00) may be taken against each of them and in favor of St. Paul, and each of them.

IT IS SO STIPULATED.

Dated: November 7, 2005

UNITED STATES FIDELITY AND GUARANTY COMPANY

By: /s/ John F. Simanski, Jr.  
Its: Vice President

Dated: November 7, 2005

FIDELITY AND GUARANTY INSURANCE COMPANY

By: /s/ John F. Simanski, Jr.  
Its: Vice President

Dated: November 7, 2005

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

By: /s/ John F. Simanski, Jr.  
Its: Vice President

Dated: November 7, 2005

ST. PAUL MEDICAL LIABILITY INSURANCE COMPANY

By: /s/ John F. Simanski, Jr.  
Its: Vice President

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1 Dated: November 8, 2005 THE SCOTT COMPANIES, INC.

2  
3 By: /s/ J.A. Guglielmo  
4 Its: President

5 Dated: November 8, 2005 SCOTT CO. OF CALIFORNIA

6  
7 By: /s/ J.A. Guglielmo  
8 Its: President

9  
10 Dated: November 8, 2005 WTE, INC.

11  
12 By: /s/ J.A. Guglielmo  
13 Its: President

14 Dated: November 8, 2005 SCOTT MECHANICAL INTERNATIONAL, INC.

15  
16 By: /s/ J.A. Guglielmo  
17 Its: President

18 Dated: November 8, 2005 SCOTT-NORMAN MECHANICAL, INC.

19  
20 By: /s/ J.A. Guglielmo  
21 Its: President

22  
23 ///

24 ///

25 ///

26 ///

27 ///

Dated: November 8, 2005 WATT,  
TIEDER, HOFFAR & FITZGERALD, L.L.P.

By: /s/ David R. Johnson  
Michael G. Long, Esq.  
David R. Johnson, Esq.  
Attorneys for Plaintiffs  
United States Fidelity and Guaranty Company;  
Fidelity and Guaranty Insurance Company;  
St. Paul Fire and Marine Insurance Company; and  
St. Paul Medical Liability Insurance Company

Dated: November 8, 2005 MILLER LAW FIRM, PC

By: /s/ Scott H. Murphy  
Richard W. Miller, Esq.  
Scott H. Murphy, Esq.  
Attorneys for Defendants  
The Scott Companies, Inc.; Scott Co. of California;  
WTE, Inc.; Scott Mechanical International, Inc.;  
Scott-Norman Mechanical, Inc.; Joseph Anthony Guglielmo;  
aka J.A. Guglielmo; and Robert Nurisso, aka R.T. Nurisso

Based on the foregoing stipulation, and good cause appearing therefore,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Judgment in the amount of \$50 million (\$50,000,000.00) be, and hereby is, entered against Defendants The Scott Companies, Inc., Scott Co. of California, WTE, Inc., Scott Mechanical International, Inc. and Scott-Norman Mechanical, Inc., and in favor of Plaintiffs United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, St. Paul Fire and Marine Insurance Company and St. Paul Medical Liability Insurance Company, individually and as assignee of Economy Fire and Casualty Company.

IT IS SO ORDERED.

Dated: 11/28/05

  
UNITED STATES DISTRICT COURT JUDGE

**PROOF OF SERVICE**

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action; my business address is: 2040 Main Street, Suite 300, Irvine, California 92614.

On January 4, 2006, I served the foregoing document(s) described as **STIPULATED JUDGMENT; ORDER THEREON**

[X] **BY ELECTRONIC FILING:** the above and foregoing document was electronically filed with the Clerk of the Court using the CM/ECF system, which sent notification of such filing to the following:

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**Mechanical International, Inc.; Scott-**  
**Norman Mechanical, Inc.**

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**Attorneys for The Scott Companies, Inc.;**  
**Scott Co. of California; WTE, Inc.; Scott**  
**Mechanical International, Inc.; Scott-**  
**Norman Mechanical, Inc.**

[X] (FEDERAL) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on January 4, 2006, at Irvine, California.

/s/ Hildegard Schucker  
Hildegard Schucker

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